

Message Text

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22-11

ACTION NEA-10

INFO OCT-01 EUR-12 EA-07 ISO-00 AID-05 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 DODE-00

PM-04 H-02 L-03 NSC-05 PA-01 PRS-01 SS-15 STR-04

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R 071115Z JAN 76

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 9010

INFO AMEMBASSY ABU DHABI

AMEMBASSY BONN

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

C O N F I D E N T I A L CAIRO 0152

E.O. 11652: GDS

TAGS: EFIN ETRD EG

SUBJECT: MORE ON EGYPT'S FOREIGN EXCHANGE POSITION

REF: (A) CAIRO 12565, (B) CAIRO 0051 (NOTAL)

1. FURTHER INFORMATION HAS COME TO HAND ON HOW GOE CLOSED ITS
1975 FOREIGN EXCHANGE BOOKS. MINFIN UNDERSEC SARRAF TOLD
EMBOFFS JANUARY 6 THAT, IN ADDITION TO \$200 MILLION CASH LOAN FROM
IRAN (REFTEL A), SIMILAR FUNDS WERE RECEIVED AT YEAR'S END FROM
BAHRAIN AND QATAR IN AMOUNTS OF \$100 MILLION AND \$50 MILLION,
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RESPECTIVELY. SARRAF COMMENTED THAT THESE CASH LOANS WERE

MEDIUM TERM BUT HE OFFERED NO INFORMATION ON INTEREST RATE OR OTHER PARTICULARS. ACCORDING SAME SOURCE, NO RPT NO FINANCIAL ASSISTANCE HAS YET BEEN RECEIVED FROM FRANCE, JAPAN, OR WEST GERMANY. GOE EXPECTS TO NEGOTIATE \$150 MILLION CASH LOAN (NOT SUPPLIER CREDITS) FROM FRG DURING COURSE OF CURRENT MONTH.

2. ADDITIONAL MEANS USED TO STRIKE BALANCE IN 1975 PAYMENTS LEDGER, ACCORDING MINFIN OFFICIAL, WAS TO RUN ARREARS OF ABOUT \$50 MILLION IN SUPPLIER CREDITS FOR NOVEMBER AND DECEMBER. FURTHER, IMPORTS ORDERED (I.E., LETTERS OF CREDIT OPENED) DURING YEAR DID NOT REACH LEVELS PREVIOUSLY ESTIMATED UNDER 1975 FOREIGN EXCHANGE BUDGET, WITH SHORTFALL PARTICULARLY NOTICEABLE IN CAPTIAL GOODS. SARRAF ALSO CONFIRMED THAT SHORT-TERM DEBT (BANKING FACILITIES) STANDS AT LE 700 MILLION (PGH 1.C, REFTEL A).

3. THIS INFORMATION HELPS EXPLAIN APPARENT LEGERDEMAIN OF GOE IN MEETING ITS FOREIGN EXCHANGE OBLIGATIONS, ALTHOUGH NOT ALL PERTINENT FIGURES ARE AVAILABLE. SARRAF'S INFORMATION NEVERTHELESS SEEMS TO BE A SIGNIFICANT PART OF THE FINANCIAL JIGSAW PUZZLE.
MAESTRONE

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